

State of Washington 2005 Consolidated Annual Performance and Evaluation Report

SUMMARY & SELF-EVALUATION

2005 CAPER This is the first reporting year of Washington State's 2005 - 2009 Consolidated Plan. The state Department of Community, Trade and Economic Development (CTED) is pleased with its accomplishments in 2005 and its worthwhile investments in time and resources towards meeting the goals of the Consolidated Plan.



*Hopelink – Transitional Family Housing
King County
Funded by Housing Trust Fund*

Resources Review

In 2005, federal assistance through the State's HOME Investment Partnership, Community Development Block Grant, Emergency Shelter Grants, and Housing Opportunities for People with AIDS programs and state resources strengthened the State's ability to effectively address the critical affordable housing and community development needs of low- and moderate-income residents statewide.

However, in 2005 the trend of decreasing HUD assistance is challenging the state's ability to respond to the state's increasing housing and community development needs. While the State saw decreases in the HUD-funded HOME, CDBG and HOPWA programs in 2005, there was an overall increase in federal resources, largely through the federal tax credits administered by the Housing Finance Commission. Tables 1A and 1B in Part 1 of this report provide further detail on the available federal and non-federal resources.

2005 Highlights

Major Homeless Legislation Passes

In June 2005 the Washington State Legislature passed the Homelessness Housing and Assistance Act, which requires:

- Counties and the state to develop plans ten year plans to reduce homelessness by 50 percent.

- Performance measurement of efforts at all levels, including an annual point in time count of homeless persons.
- Implementation of HMIS throughout the state including a component of continuous case management.

Additionally a dedicated revenue source was created amounting to about \$15 million/year, split between the counties and CTED. This vital source of new revenue should go a long way to increasing local programs and to bring together historically disparate homeless resources under a common plan.

\$100 Million for the Housing Trust Fund

The Washington State Legislature passed a capital budget that includes \$100 million for the Housing Trust Fund for the current 2005-2007 biennium. This long-sought goal is the largest allocation of funds to date and represents a significant increase from the previous biennium's allocation of \$80 million. The additional funds will help to create and preserve affordable housing statewide.

State CDBG Program Manages Funding Decrease and Targets Assistance to Low-Income Communities

In 2005, the state CDBG Program received \$17.3 million from HUD, which is a seven percent reduction from the 2004 HUD award. Managing this drop in both grant assistance and administrative support, in 2005 CDBG staff successfully targeted grant and technical assistance for 67 local projects that would not have occurred without CDBG support. With nearly 99 percent of these 2005 funds principally benefiting low- and moderate-income persons, the CDBG Program exceeded the federal requirement of 70 percent.

*Pacific Co. Early Childhood Learning Center
Located in the City of South Bend
Funded by CDBG General Purpose Grant*



Affordable Housing - A Big Portion of Bond Cap

A substantial portion of the available bond cap continues to be used to develop affordable housing. In 2005, 68 percent of the total state bond cap went to finance affordable housing. This was a drop from 2004 - when housing received 79 percent of the state's cap - but it was still well above historic levels, which traditionally ranged between 30-60 percent.

Expansion of the Small Communities Initiative

The successful Small Communities Initiative partnership between the CDBG Program within the state Department of Community, Trade and Economic Development the Washington State Departments of Health and Ecology was expanded in 2005 to include a second staff person to provide extensive technical assistance and capacity building training to six more rural communities prioritized from across the state.

Homeowner Sweat Equity Projects - A Small but Growing Resource

The number of units funded in sweat equity projects grew for the third year in a row. In this type of project, a homebuyer participates in building his/her own home. In 2005 70 units were assisted, a 64 percent increase from the previous year. In 2002 the number units assisted was 16, in 2003 it was 31 and in 2004 it was 45.

CDBG Recognized for Timely Use of Funds

In January 2006, HUD reported that the Washington State CDBG Program ranked fifth best in timely expenditure of funds among the 50 applicable states/territories receiving CDBG funds. Also, the Washington State CDBG Program will have obligated 100 percent of its 2005 funds within 12 months of signing its 2005 grant agreement with HUD, exceeding the federal standard of 95 percent obligation. These statistics reflect the CDBG Program's direct efforts to help communities plan and prepare for implementation of high need projects and the targeting of CDBG capital investment for local projects poised to improve the community.

Other Helpful State Legislation Relating To Affordable Housing HB 1393

This legislation requires certification of compliance with safety rules adopted by the Department of Labor and Industries, before movement of older mobile homes upon public highways.

The Affidavit is required for exemption from fire and safety inspection when mobile homes (constructed prior to June 15, 1976) are moved by owners who will continue to occupy or use the home. The relocation assistance available to reimburse mobile home owners who are forced to move their homes due to park closure is increased from \$7,000 for a multi-section home to \$12,000, and from \$3,500 for a single-section to \$7,500.

HB 1640

This legislation allows CTED to temporarily expand its ombudsman service to manufactured/mobile home park owners and tenants with respect to disputes and problems. Additional investigative staff were

hired to respond to complaints.

Outreach and service to tenants and park owners was provided. CTED was required to track and compile complaint data and produce a registry of all mobile home parks, including the number of lots available within each park. The park registry, complaint data and investigation outcomes was reported to legislative committees December 31, 2005.

Future Challenges

Performance Measures

CTED is currently working to implement HUD's new performance measurement and IDIS requirements for the 2006 program year. Application procedures and forms, tracking systems, financial management processes, and closeout reporting require adjustments to implement the new requirements.

Decrease in HOME Funding

After numerous years of relatively stable funding, the budget for the HOME Program for 2006 is reduced by 6 percent from the 2005 funding level. Demand continues to grow for this limited source of federal funding used for a variety of affordable housing projects and programs statewide.

Decrease in CDBG Funding

The 2005 CDBG funding decreased more than seven percent from the 2004 funding level, and in 2006 the state CDBG funding is reduced another ten percent from the 2005 funding level. The President's FY 2007 budget proposes \$2.775 billion for CDBG, representing more than a 25 percent cut from the 2006 budget. This proposed 2007 budget contains four parts: 1) Reform the CDBG formula, 2) Create a \$200 million competitive challenge grant for distressed communities, 3) Eliminate several programs in several agencies, and 4) Implement community and economic development performance measures for programs at both the U.S. Departments of HUD and Commerce. Bipartisan members of congress are working to restore the CDBG program to a level more in line with the FY 2004 level of \$4.3 billion for CDBG. This amount is needed to empower states, counties and cities to meet their housing and community development challenges and ensure quality American communities for the future.